



STATE OF WISCONSIN
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CORRESPONDENCE MEMORANDUM

DATE: April 20, 2011
TO: Wisconsin Deferred Compensation Board
FROM: Shelly Schueller, Director
Wisconsin Deferred Compensation Program
SUBJECT: Administrative Services Agreement Amendment: Signature-less Services

The Board is asked to consider approving an amendment, as described below, to the administrative services agreement with Great-West Retirement Services (GWRS) for the Wisconsin Deferred Compensation Program (WDC).

Based on discussions with GWRS staff, the Department recommends the Board approve an amendment to the administrative services agreement with GWRS, covering two revisions.


The first revision addresses incoming rollover requests, which can occur when a participant elects to roll 401(k) or other qualified plan money into his/her WDC account. The proposed amendment would replace an existing section of the agreement, Article 3.18, including Exhibit 9, with a new statement indicating that GWRS is instructed by the Board to accept participants' rollover contributions into the WDC, assuming the rollover request is complete.

The second revision incorporates four existing Letters of Instruction (LOIs) into the contract. These LOIs cover a range of "signature-less services," which are, in general, participant requests that typically require a plan sponsor signature authorizing GWRS to process the transaction. Examples of such requests include: authorizing retired public safety officer insurance premium distributions and processing domestic relations orders. The WDC has more than 50,000 WDC participants; requiring a signature from the Department for each transaction of this type is not practical. Through LOIs the responsibility for the entire transaction has been delegated to GWRS.

The existing LOIs are:

1. Addendum to Letter of Instruction for Distributions (Eligible Rollover Accounts) – September 24, 2009
2. Retired Public Safety Officer Insurance Premium Distributions – January 21, 2009

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services


Signature

4/20/11
Date

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3. Domestic Relations Orders – November 16, 2006

4. Distributions – November 17, 2005

A draft contract amendment containing the proposed changes and the LOIs is attached to this memo for your consideration. If this recommendation is adopted, staff will finalize the contract amendment and GWRS and the Board Chair will sign it.

Staff will be available to discuss this recommendation with you on May 17, 2011.

Attachment: Sixth Amendment to the WDC Administrative Services Contract

**SIXTH AMENDMENT TO THE
STATE OF WISCONSIN DEFERRED COMPENSATION PROGRAM
ADMINISTRATIVE SERVICE CONTRACT (ETE0005) BETWEEN
THE STATE OF WISCONSIN DEFERRED COMPENSATION BOARD
AND GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY**

This Sixth Amendment to the State of Wisconsin Deferred Compensation Program Agreement for Administrative Services Including Recordkeeping and Communications (hereinafter "SIXTH AMENDMENT") made and entered into between the State of Wisconsin Deferred Compensation Board ("BOARD") and the Department of Employee Trust Funds ("DEPARTMENT") on behalf of the State of Wisconsin Deferred Compensation Program ("PLAN") and Great-West Life & Annuity Insurance Company ("GREAT-WEST") pursuant to Article 2.8 of the Agreement for Administrative Services Including Recordkeeping and Communications ("AGREEMENT") to amend the AGREEMENT between the parties.

WHEREAS, the BOARD and GREAT-WEST desire to amend the AGREEMENT to add additional services to the AGREEMENT.

NOW, THEREFORE, the parties hereby agree as follows:

1. Effective with the execution of this AMENDMENT, Article 3.18, including Exhibit 9, GREAT-WEST Rollover Policy, shall be deleted and replaced in its entirety with the following new provision:

"3.18 Incoming Rollover Request Approval Process

The BOARD hereby instructs and authorizes GREAT-WEST to accept, without BOARD approval, requests from participants who are active employees for rollover contributions to the PLAN that are accompanied by a properly completed form and any required supporting documentation and are received in good order and in a manner acceptable to GREAT-WEST. The BOARD hereby instructs and authorizes GREAT-WEST to rely on the complete form and accompanying documentation, without further investigation or action by GREAT-WEST, as sufficient to show that the funds being rolled into the PLAN constitute an eligible rollover distribution from an eligible retirement plan within the meaning of Internal Revenue Code section 402. If other than a direct rollover, the employee must provide documentation to show that the rollover is being made to the PLAN within sixty (60) days of the date the employee received the distribution from the prior eligible retirement plan. The BOARD hereby instructs GREAT-WEST to establish a separate participant rollover account for recordkeeping all incoming rollovers. In the event that any necessary participant information is missing from such participant rollover requests (including address, birth date, hire date, rehire date, termination date, eligibility indicator and participation date), the BOARD hereby instructs GREAT-WEST to obtain such information from participants. If GREAT-WEST cannot obtain such additional information within ten (10) days after the request is received by GREAT-WEST, the BOARD hereby instructs GREAT-WEST to reject any rollover request received without proper documentation and to return any rollover amounts received with such request. The BOARD further instructs GREAT-WEST to forward to the BOARD for its approval any rollover request received from a terminated employee."

2. The parties hereby acknowledge and agree that the four (4) Letters of Instruction included in the Letter of Instruction Exhibit of this SIXTH AMENDMENT as are attached to, and form a part of, the AGREEMENT.
3. Except for additional terms, conditions, and modifications contained in this SIXTH AMENDMENT, and any other modifications contained in this SIXTH AMENDMENT, all other terms of the AGREEMENT, including amendments thereto remain unchanged and shall continue to apply with respect to the AGREEMENT.

IN WITNESS WHEREOF, THE BOARD, ON BEHALF OF THE STATE OF WISCONSIN, AND GREAT-WEST HAVE EXECUTED TWO (2) ORIGINALS OF THIS SIXTH AMENDMENT EFFECTIVE THE _____ DAY OF _____, 2011.

State of Wisconsin Deferred Compensation Board

Name: Edward D. Main

Title: Deferred Compensation Board Chair

Signature: _____

Date: _____

Witnessed by

Name: _____

Title: _____

Signature: _____

Date: _____

Great-West Life & Annuity Insurance Company

Name: Gregory E. Seller

Title: Senior Vice President, Government Markets

Signature: _____

Date: _____

Witnessed by

Name: _____

Title: _____

Signature: _____

Date: _____

Wisconsin Deferred Compensation Program
Letter of Instruction Exhibits

- i. Addendum to Letter of Instruction for Distributions (Eligible Rollover Accounts) – September 24, 2009
- ii. Retired Public Safety Officer Insurance Premium Distributions – January 21, 2009
- iii. Domestic Relations Orders – November 16, 2006
- iv. Distributions – November 17, 2005